

LAND BOARD AGENDA ITEM
PRELIMINARY APPROVAL

February 19, 2013

DNRC/Montgomery Land Exchange

Proposal: Land exchange between the Department of Natural Resources and Conservation (DNRC) and William Montgomery

Proponent: DNRC and William Montgomery

Acres:

State Trust Land (DNRC)		
County	Legal Description	Acres
Flathead	Pt of SW1/4 NE1/4, Sec 20 T32N R23W	.51
		.51
Montgomery Private Land		
County	Legal Description	Acres
Flathead	Portion of tract 2B In Government Lot 4	10
	NE1/4SE14 Sec 20 T32N R23W	
		10

Location: Flathead County

Beneficiary MSU Morrill

PROPOSAL

DNRC requests preliminary approval from the Board to proceed with further evaluation of a land exchange to resolve an encroachment on state land. Mr. Montgomery inadvertently encroached on state land while building a residence. The evaluation will determine if the private property proposed for exchange would adequately compensate the state for the value of the land encroached upon, and whether the exchange is in the State's best interest.

PUBLIC INVOLVEMENT PROCESS AND RESULTS

A scoping letter requesting public comment was sent out December 18, 2012 and the comment period ran through January 11, 2013. The letter was sent to 10 neighboring landowners and the Flathead County Commissioners. No comments were received.

EXCHANGE CRITERIA ANALYSIS

The following preliminary review documents how the land exchange meets or exceeds the land exchange criteria and accrues benefits to the MSU Morrill Trust Beneficiaries.

1. EQUAL OR GREATER VALUE

Both the Trust and Montgomery lands will be appraised to determine actual values if the Board gives preliminary approval for this proposed exchange. Preliminary review of the .51 acres of State Trust land indicates an estimated value with legal access and use, at \$51,000 based on comparable MLS listings. A summary appraisal was completed on the 10 acres of private land proposed for exchange in June 2012 and indicates a value of \$130,000.

Preliminarily Meets Criteria

2. STATE LAND BORDERING ON NAVIGABLE LAKES AND STREAMS

The state property involved is in close proximity to Lower Stillwater Lake but does not border the lake and there is no lake frontage involved in the proposed land exchange.

Preliminarily Meets Criteria

3. EQUAL OR GREATER INCOME TO THE TRUST

The state property is adjacent to the ownership boundary and in close proximity to private residences. Based on this condition, the ability to generate revenue from this part of the property in the future is limited.

The private property is directly adjacent to blocked state forest land. The land has revenue generating opportunities from timber management in conjunction with the state land being managed around it. The property involved has a moderately high yield capability in regard to timber production based on adjacent habitat types and initial reconnaissance. In addition, the private property involved is adjacent to residential development to the south, which indicates the potential for real estate revenue in the future.

Preliminary Meets Criteria

4. EQUAL OR GREATER ACREAGE

DNRC would exchange to Montgomery approximately .51 acres of Trust land for approximately 10 acres of Montgomery private property as shown on the attached map. The acreage received by the Trust would be greater than what was given

Preliminarily Meets Criteria

5. CONSOLIDATION OF STATE LAND

Both parcels involved in the exchange are directly adjacent to the Stillwater State Forest. The net change would be an additional 9.49 acres to state land consolidated with the State Forest.

Preliminarily Meets Criteria

6. POTENTIAL FOR LONG-TERM APPRECIATION

Both parcels involved have the potential for long-term appreciation. As noted previously the .51 acres of state property involved is in close proximity to private ownership and by itself would have limited long term appreciation potential.

The 10-acre Montgomery property has existing legal access and most of the property has gentle slopes. Some of the property has lake views and scenic views to the west. Based on the location, the potential for long-term appreciation is likely high.

Preliminarily Meets Criteria

7. ACCESS

The state lands in the larger block to the north are legally accessible via Highway 93, but the .51 acres proposed for exchange has no improved physical access to the property.

There is public access to the Montgomery property via a forest road off of Lupfer Loop Road.

Preliminarily Meets Criteria

AGENCY RECOMMENDATIONS

The Director believes this proposed land exchange would benefit the Trust beneficiary, the State of Montana, and bring an encroachment on State Trust Land to a satisfactory conclusion. The Director requests that this exchange receive preliminary approval from the Board. If approved by the Board, DNRC would execute a non-binding Agreement to initiate the land exchange with Mr. Montgomery, and would begin a detailed evaluation.

MONTGOMERY LAND EXCHANGE LOCATION MAP

